



Portfolio Commentary

Arabesque Prime returned +1.46% for the month (until 30 October), compared to +1.93% for the MSCI All Country World Index.

The strongest sub-strategies in October were 'Dividend Growth' and 'Value'. 'GARP' and 'High Dividend Yield' were the weakest performers over the month. On a sector level, Electronic Technology and Process Industries had the highest positive contribution, while Retail Trade and Consumer Non-Durables were the weakest. On a relative basis, the fund's sector allocation contribution was positive over the month, mainly due to the overweight of Technology and the underweight of Healthcare sectors. The fund's selection effects were negative over the month, mainly in the Consumer Cyclical and Technology sectors.

The fund has returned +23.72% since inception.

Sustainable and Quantitative

Arabesque follows a quantitative investment approach that integrates sustainability data with financial analysis.

Arabesque Prime is a global equity fund that uniquely combines sustainability information with a sophisticated fundamental stock selection process. The fund's sustainable equity universe consists of approximately 3,000 individual stocks that passed a rules-based screening process. The portfolio of approximately 250 – 300 stocks identifies companies with stable cash flows and strong growth prospects.

In addition, the estimates of equity analysts are analyzed to select stocks that have a high likelihood of reporting future earnings surprises.

Prices

Date	31.10.2017
Currency	USD
Bid/Ask Price	122.33/122.33
Distribution Date	24.03.2017
Distribution Amount	0.40

Conditions

Minimum Investment	USD 50,000
Management Fees	0.32% p.a.
Performance Fees	None
Other 3rd Party Fees	0.27% p.a.
Profit	Distributing
TER*	0.98%

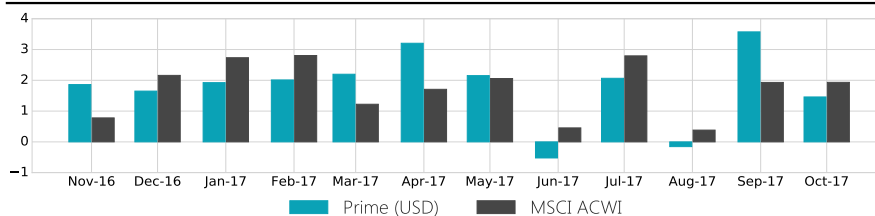
Performance since Inception

(USD, net of fees, Source: Union Investment Financial Services and MSCI)



Last 12m Performance (%)

(USD, net of fees, Source: Union Investment Financial Services and MSCI)



General Information

ISIN	LU1023699801	Inception Date	01.08.2014
WKN	A1XCPP	Management Company	IPConcept (Luxemburg) S.A.
Bloomberg	ARAPMUS LX	Custodian Bank	DZ Privatbank S.A.
Fund Structure	SICAV	Fiscal Year	01.01. - 31.12.
Investment Focus	Sustainable, Global Equities	Long Term	MSCI AC World Index NR

Monthly Performance

(USD, net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014								2.82%	-2.99%	0.72%	1.76%	-1.56%	0.64%
2015	-0.73%	6.07%	-1.24%	1.46%	-0.24%	-2.30%	0.80%	-5.89%	-2.89%	6.57%	0.19%	-2.09%	-0.97%
2016	-6.11%	-0.83%	6.92%	-0.48%	1.75%	-1.05%	4.90%	-0.81%	0.39%	-3.56%	1.86%	1.65%	4.02%
2017	1.92%	2.01%	2.20%	3.20%	2.15%	-0.52%	2.07%	-0.15%	3.57%	1.46%			19.34%

Risk Indicators

(USD, net of fees)

	Return (p.a.)	Last 12 Months	Volatility (p.a.)	Sharpe Ratio	Max Drawdown
Fund	6.77%	23.57%	10.17%	0.59	-18.36%
Index	7.11%	23.06%	10.56%	0.60	-19.20%

Awards





Investment Process

- The Arabesque sustainable equity universe has approximately 3,000 stocks screened via a multi-stage selection process based on Arabesque S-Ray™
- Arabesque S-Ray™ is designed to streamline vast amounts of ESG data, and can be used in three unique ways to evaluate companies: (1) GC Score: an assessment of each company based on the normative principles of the United Nations Global Compact. (2) ESG Score: a sector specific analysis of each company's performance on material ESG issues. (3) Preferences Filter: an optional process to examine business involvements against individual investor values.
- From the Arabesque sustainable equity universe, a quantitative investment model selects equities that have stable cashflows and growth, with high likelihood of reporting future earnings surprises.
- The fund does not use derivatives, leverage nor shorting.

Opportunities

- Potential of high risk-adjusted returns.
- Exposure to stocks that have been screened for their Environmental and Social impact as well as their Governance practices.

Risks

- Exposure to market-related price fluctuations and losses.
- Exchange rate risks in the equity and cash holdings.
- The value of the fund shares may fall below the price at which the investor acquired the shares.

About Arabesque

- Arabesque was founded in June 2013 and is authorised and regulated by the Financial Conduct Authority (FCA).
- The majority of Arabesque is owned by its founders and employees.
- Arabesque Management and Advisory Boards are composed by global leaders in the field of sustainable investing and quantitative finance.
- By combining sophisticated and systematic investment processes with values of the UN Global Compact and the Principles of Responsible Investment (PRI), Arabesque aims to make sustainable investing financially attractive.

Top-10-Holdings

% of Total Assets

Texas Instruments	1.4%	Maxim Integrated Products,	1.0%
Best Buy Co., Inc.	1.3%	Dollarama Inc.	1.0%
Big Lots, Inc.	1.2%	Intel Corporation	1.0%
Daito Trust Construction	1.1%	Sunny Optical Technology	0.9%
KLA-Tencor Corporation	1.0%	Enel S.p.A.	0.8%

Market Capitalization

% of Total Equities

Large Cap (> \$15bn)	37.6%
Mid Cap (\$2.5bn – \$15bn)	49.7%
Small Cap (< \$2.5bn)	12.7%



Country Allocation

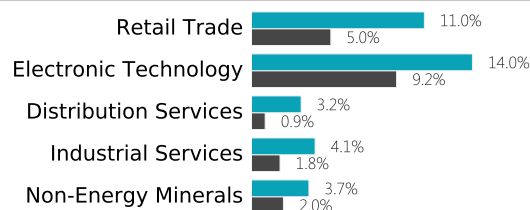
% of Total Assets

United States	43.6%	Hong Kong	2.8%
Japan	13.8%	Italy	2.3%
United Kingdom	7.7%	China	2.2%
Canada	4.1%	France	2.1%
Germany	3.0%	Sweden	2.0%

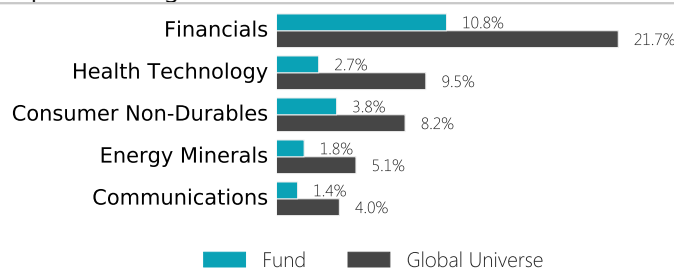
Sectors

% of Total Assets

Top Overweighted



Top Underweighted



Fund Global Universe

Source: Union Investment Financial Services, Factset



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